

Maine Revised Statutes
Title 24-A: MAINE INSURANCE CODE
Chapter 52: MAINE EMPLOYERS' MUTUAL INSURANCE
COMPANY HEADING: PL 1991, c. 615, Pt. D, §1 (new)

§3714. ACCOUNTING; ASSESSMENTS

The following provisions apply to the financial operation of the company. [2001, c. 350, §6 (AMD) .]

1. Separate accounting.

[2001, c. 350, §7 (RP) .]

2. Rates. Rates developed and filed by the company must be in accordance with chapter 25, subchapter II-B.

Rates filed within the rate-band are considered voluntary for purposes of chapter 25, subchapter II-B. If a rate is filed outside the rate band, the superintendent may disapprove the rate if it is excessive, inadequate or unfairly discriminatory, using the standards set forth in section 2382.

"Rate band" means the range of rates from 85% to 145% of the benchmark rate. For the purposes of this subsection, "benchmark rate" is the pure premium rate filing filed by the State's advisory organization as defined in section 2381-C and currently approved by the superintendent.

[1997, c. 661, §13 (AMD) .]

3. Deficit.

[2001, c. 350, §8 (RP) .]

4. Surplus. The surplus of the company is indivisible and is available for the benefit of all policyholders once certified by the superintendent.

[1991, c. 885, Pt. C, §8 (NEW) .]

5. Assessment. Any assessment levied against policyholders is for the exclusive benefit of the policyholders subject to the assessment. Any policyholder not paying an undisputed assessment is not eligible for coverage from the company or in the voluntary market.

[1997, c. 661, §13 (AMD) .]

6. Deficits in the high-risk division.

[2001, c. 350, §9 (RP) .]

7. High-risk program. The company shall maintain a high-risk program subject to the following provisions.

A. An employer must be placed in the high-risk program if the employer has at least 2 lost-time claims, each greater than \$10,000 of incurred loss, and a loss ratio greater than 1.0 during the previous 3-year experience rating period. Notwithstanding paragraph C, an employer may also be placed in the high-risk program during the term of a policy for noncompliance with reasonable safety standards. [2001, c. 350, §10 (NEW) .]

B. The board, with the approval of the superintendent, may modify the eligibility standards for the high-risk program if those standards limit those in the program to employers who have measurably adverse loss experience, have a relatively high claim frequency record or have demonstrated an attitude or practice of noncompliance with reasonable safety requirements or claims management standards. [2001, c. 350, §10 (NEW).]

C. Eligibility requirements must be applied annually at the policy renewal date or, if the necessary claim history is not available at that time, 30 days after notice to the insured. [2001, c. 350, §10 (NEW).]

D. Deductibles in the high-risk program are subject to this paragraph.

(1) A deductible applies to all coverage for policyholders in the high-risk program that meet the following qualifications:

- (a) A net annual premium of \$20,000 or more, subject to adjustment pursuant to this paragraph, in the State;
- (b) A premium not subject to retrospective rating; and
- (c) The policyholder's threshold loss ratio is 1.0 or greater.

The deductible is \$1,000 a claim but applies only to wage loss benefits paid on injuries occurring during the year of coverage. The sum of all deductibles in one year of coverage may not exceed the lesser of 15% of net annual payment for coverage or \$25,000. Each loss to which a deductible applies must be paid in full by the company. After the year of coverage has expired, the policyholder shall reimburse the company the amount of the deductibles. This reimbursement is considered as payment for coverage for purposes of cancellation or nonrenewal.

The board shall adjust annually the \$20,000 payment-of-coverage level established in this subparagraph to reflect any change in rates for the high-risk program and any change in wage levels in the preceding calendar year. Changes in wage levels are determined by reference to changes in the state average weekly wage, as computed by the Department of Labor. Any adjustment is rounded off to the nearest \$1,000 increment.

(2) The board may modify, with the approval of the superintendent, the mandatory deductible elements. Any modification or elimination of this rating feature must consider the incentive impact on an employer, the reasonableness of the retained cost relative to the claim history, safety record or claims management practices of affected employers and the ability of all employers to absorb these costs. [2001, c. 350, §10 (NEW).]

E. The board may file with the superintendent retrospective rating plans that, after hearing, may be imposed on an employer with a demonstrated record of repeated serious violations of workplace health and safety rules and regulations such as those adopted under Title 26, chapter 6 or 29 United States Code, Chapter 15, whichever is applicable. [2001, c. 350, §10 (NEW).]

F. The board shall develop and file with the superintendent and, if not disapproved by the superintendent, make available to policyholders on a voluntary basis retrospective rating plans. [2001, c. 350, §10 (NEW).]

G. Not more than 30 days after assignment to the high-risk program, a policyholder may appeal the assignment in writing to the bureau. [2001, c. 350, §10 (NEW).]

H. The board, with the approval of the superintendent, shall implement a plan for surcharges for policyholders in the high-risk program based on the policyholder's specific loss experience beyond the uniform experience rating plan approved by the superintendent. Any plan of surcharges must consider the actual claims experience of the employer and must provide for rate adjustments reasonably related to the employer's risk of loss. [2001, c. 350, §10 (NEW) .]

[2001, c. 350, §10 (NEW) .]

SECTION HISTORY

1991, c. 885, §C8 (NEW). RR 1993, c. 1, §66 (COR). 1997, c. 661, §13 (AMD). 2001, c. 350, §§6-10 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 126th Maine Legislature and is current through August 1, 2014. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.
--